



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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(213) 974-1101
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WILLIAM T FUJIOKA
Chief Executive Officer

June 6, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

**AMENDMENT NO. 1 TO LEASE NO. 76054
EXECUTIVE OFFICE, BOARD OF SUPERVISORS/ARTS COMMISSION
1055 WILSHIRE BOULEVARD, LOS ANGELES
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

This is a recommendation to approve a lease extension for 7,873 rentable square feet of office space for the Executive Office, Board of Supervisors/Arts Commission.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chairman to sign the lease amendment with Jamison 1055 Wilshire, LLC (Landlord) for 7,873 rentable square feet of office space located at 1055 Wilshire Boulevard, Los Angeles, to be occupied by the Executive Office, Board of Supervisors/Arts Commission at a maximum first year cost of \$222,964. The rental costs will be 100 percent net County cost.
3. Authorize the Chief Executive Officer and the Executive Officer, Board of Supervisors to implement the project. The lease will be effective upon Board approval and the term will commence on July 1, 2012.

"To Enrich Lives Through Effective And Caring Service"

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to extend the lease term an additional five years thereby providing the Executive Office, Board of Supervisors/Arts Commission (Commission) with uninterrupted use of the subject facility. The Commission has been located at the subject facility since July 2007. The subject facility currently houses 27 full-time employees.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of the County's operations to support the timely delivery of customer-oriented and efficient public services. Approval of the lease amendment will provide the continued occupancy of the office space that houses the Commission programs. The lease amendment is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The maximum first year costs for this lease amendment will be \$222,964.

1055 Wilshire Boulevard Los Angeles	Existing Lease	Proposed Lease Amendment No. 1	Change
Area	7,873 sq. ft.	7,873 sq. ft.	None
Term	7/1/07 to 6/30/12	7/1/12 to 6/30/17	+5 years
Annual Base Rent	\$199,908 or \$25.40/sq. ft.	\$222,964 or \$28.32/sq. ft.	+\$23,056
Annual Parking Cost	\$36,192 or \$4.60/sq. ft.	\$0	-\$36,192
Total Rental Cost	\$236,100 or \$30.00/sq. ft.	\$222,964 or \$28.32/sq. ft.	-\$13,136
Annual Base Rent Adjustment	Fixed increase of 3 percent	Consumer Price Index (CPI) adjustment, 4 percent maximum	CPI adjustment, 4 percent maximum
Parking	23 spaces	26 spaces	+3 spaces
Cancellation	After third year, upon 120 days notice	After June 30, 2015, upon 120 days notice	After June 30, 2015

Sufficient funding for the proposed lease amendment is included in the Fiscal Year (FY) 2012-13 Rent Expense budget and will be charged back to the Executive Office, Board of Supervisors. The Executive Office, Board of Supervisors has sufficient funding in its FY 2012-13 operating budget to cover the projected rental costs. All of the rental costs are 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Commission's space requirement has been allocated for 5,179 square feet. Based on the existing floor layout, the space could not be divided in a pragmatic way to meet County space guidelines. Moreover, the space originally included unique improvements, such as a mini-sound room and small performance area that are of great value to the Commission.

The proposed lease amendment will allow the Commission to continue occupying the subject facility for up to five additional years. The existing terms and conditions of the lease shall remain unchanged for the proposed amendment, except the following:

- The extension term will be effective upon Board approval, and will commence on July 1, 2012.
- The rent shall be adjusted annually in accordance with changes in the CPI, but the annual adjustment shall not be more than 4 percent.
- The new proposed rent includes 26 parking spaces of which 23 are currently provided as additional rent.
- The lease amendment provides the County the right to cancel any time after June 30, 2015, upon 120 days prior written notice.

The Chief Executive Office (CEO), Real Estate staff conducted a survey within the City West submarket of Downtown Los Angeles to determine availability of comparable and more economical sites. Staff was unable to identify any suitable sites in the surveyed area that could accommodate this space requirement at a cost-savings approach. Staff has established that the rental range for similar lease terms in this submarket is between \$27.40 and \$31.60 per rentable square foot per year. Thus, the proposed annual rental rate of \$28.32 is within the fair market rent for the area. Attachment B shows all County-owned or leased facilities in proximity of the service area, and there are no County-owned or leased facilities available.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

The CEO Disability Civil Rights Unit inspected the leased premises and related common areas to assess Americans with Disabilities Act (ADA) accessibility compliance. A report identifying barriers to accessibility has been completed and provided to the CEO and Executive Office, Board of Supervisors. Pursuant to the report, the Landlord has completed ADA improvements, at its sole cost.

A child care center in this building is not feasible.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will provide the office space necessary for the Commission to provide uninterrupted services for the community. The Executive Office, Board of Supervisors and the Commission concur with the recommendation herein.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease amendment and the adopted, stamped Board letter and two certified copies of the Minute Order to the CEO, Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CMM
CEM:KW:ls

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Arts Commission

EXECUTIVE OFFICE, BOARD OF SUPERVISORS/ARTS COMMISSION
1055 WILSHIRE BOULEVARD, LOS ANGELES
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²	X		
	B	Does lease co-locate with other functions to better serve clients? ²			X
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² The lease provides 292/sq. ft. of office space per person for 27 approved staff. The program requires specialized space, which stretches the space per person beyond this guideline.		X	
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program?	X		
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? ² Build-to-suit or capital project is not feasible at this time.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?	X		
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
	E	5. ____ The Program is being co-located.			
		Is lease a full service lease? ²			
		X			
	F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X			
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

EXECUTIVE OFFICE, BOARD OF SUPERVISORS/ARTS COMMISSION

SPACE SEARCH 3 MILE RADIUS OF
1055 WILSHIRE BOULEVARD, LOS ANGELES

Address	Gross SQFT	Net SQFT	Ownership	Available SQFT
1055 WILSHIRE BLVD, LOS ANGELES 90017	7,873	7,479	LEASED	NONE
811 WILSHIRE BLVD, LOS ANGELES 90017	4,512	4,286	LEASED	NONE
350 S FIGUEROA ST, LOS ANGELES 90071	52,516	49,890	LEASED	NONE
355 S GRAND AVE, LOS ANGELES 90071	0	0	GRATIS USE	NONE
1530 JAMES M WOOD BLVD, LOS ANGELES 90017	200	200	PERMIT	NONE
201 N FIGUEROA ST, LOS ANGELES 90012	87,810	83,420	LEASED	NONE
419 S SPRING ST, LOS ANGELES 90013	1,000	1,000	GRATIS USE	NONE
241 N FIGUEROA ST, LOS ANGELES 90012	60,924	34,748	OWNED	NONE
312 S HILL ST, LOS ANGELES 90012-3503	9,782	9,293	LEASED	NONE
222 S HILL ST, LOS ANGELES 90012	30,905	27,158	LEASED	NONE
2415 W 6TH ST, LOS ANGELES 90057	46,228	42,065	LEASED	NONE
313 N FIGUEROA ST, LOS ANGELES 90012	221,359	134,851	OWNED	NONE
2601 WILSHIRE BLVD, LOS ANGELES 90057	62,000	60,140	LEASED	NONE
301 W 1ST ST, LOS ANGELES 90012	215,960	126,000	CONTRACT	NONE
512 S SAN PEDRO ST, LOS ANGELES 90013	20,628	19,597	LEASED	NONE
111 N HILL ST, LOS ANGELES 90012	794,459	489,254	OWNED	NONE
420 S SAN PEDRO ST, LOS ANGELES 90013	3,516	3,340	LEASED	NONE
426 S SAN PEDRO ST, LOS ANGELES 90013	6,500	6,175	LEASED	NONE
521 S SAN PEDRO ST, LOS ANGELES 90013	2,540	2,413	LEASED	NONE
301 N GRAND AVE, LOS ANGELES 90012	27,582	17,978	OWNED	NONE
3055 WILSHIRE BLVD, LOS ANGELES 90010	7,755	7,115	LEASED	NONE
600 S COMMONWEALTH AVE, LOS ANGELES 90005	281,988	237,432	LEASED	NONE
500 W TEMPLE ST, LOS ANGELES 90012-2713	958,090	592,835	OWNED	NONE
500 S VIRGIL AVE, LOS ANGELES 90020	8,000	7,200	PERMIT	NONE
320 W TEMPLE ST, LOS ANGELES 90012	438,095	260,776	OWNED	NONE
695 S VERMONT AVE, LOS ANGELES 90010	80,403	75,647	LEASED	NONE
3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	85,992	78,473	LEASED	NONE
813 E 4TH PL, LOS ANGELES 90013	39,956	25,158	OWNED	NONE
3175 W 6TH ST, LOS ANGELES 90020	52,230	42,341	OWNED	NONE
501 SHATTO PL, LOS ANGELES 90020	17,751	15,976	LEASED	NONE
1945 S HILL ST, LOS ANGELES 90007	303,433	136,422	OWNED	NONE
210 W TEMPLE ST, LOS ANGELES 90012	1,036,283	516,275	OWNED	NONE
510 S VERMONT AVE, LOS ANGELES 90020	31,540	24,835	OWNED	NONE
550 S VERMONT AVE, LOS ANGELES 90020-1991	171,651	149,668	OWNED	NONE
425 SHATTO PL, LOS ANGELES 90020	81,912	77,816	LEASED	NONE
1933 S BROADWAY, LOS ANGELES 90007	148,483	141,059	LEASED	NONE
501 N MAIN ST, LOS ANGELES 90012	34,350	29,710	OWNED	NONE

507 N MAIN ST, LOS ANGELES 90012	15,618	11,154	OWNED	NONE
433 S VERMONT AVE, LOS ANGELES 90020	31,862	21,777	OWNED	NONE
1320 E OLYMPIC BLVD, LOS ANGELES 90021	776	776	LEASED	NONE
3435 WILSHIRE BLVD, LOS ANGELES 90010	65,872	62,578	LEASED	NONE
3470 WILSHIRE BLVD, LOS ANGELES 90010	21,500	20,425	LEASED	NONE
2615 S GRAND AVE, LOS ANGELES 90007	215,439	183,874	OWNED	NONE
1910 MAGNOLIA AVE, LOS ANGELES 90007	1,035	984	LEASED	NONE
3530 WILSHIRE BLVD, LOS ANGELES 90010	113,027	101,920	LEASED	NONE
2707 S GRAND AVE, LOS ANGELES 90007	115,242	89,650	OWNED	NONE
429 BAUCHET ST, LOS ANGELES 90012	83,692	46,440	OWNED	NONE
1102 N MISSION RD, LOS ANGELES 90033	22,479	14,251	OWNED	NONE
1104 N MISSION RD, LOS ANGELES 90033	18,651	11,430	OWNED	NONE
1240 N MISSION RD, LOS ANGELES 90033	5,190	4,095	OWNED	NONE
1240 N MISSION RD, LOS ANGELES 90033	2,588	1,967	OWNED	NONE
1739 GRIFFIN AVE, LOS ANGELES 90031	1,040	950	OWNED	NONE
2200 N HUMBOLDT ST, LOS ANGELES 90031	23,655	17,554	LEASED	NONE
1200 N STATE ST, LOS ANGELES 90033	2,980	1,761	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	2,980	2,341	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	910	736	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	910	831	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	1,940	1,454	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	780	672	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	10,512	7,872	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	384	330	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	4,334	3,629	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	2,973	2,461	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	944	785	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	820	702	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	1,200	1,049	OWNED	NONE
1830 GRIFFIN AVE, LOS ANGELES 90033	1,050	940	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	612	530	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	1,200	1,000	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	1,376	1,223	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	4,661	3,482	OWNED	NONE
1200 N STATE ST, LOS ANGELES 90033	1,440	1,200	PERMIT	NONE
1150 N SAN FERNANDO RD, LOS ANGELES 90065	28,523	20,734	OWNED	NONE
2020 ZONAL AVE, LOS ANGELES 90033	142,448	79,494	OWNED	NONE
1605 EASTLAKE AVE, LOS ANGELES 90033	75,907	33,945	OWNED	NONE

**AMENDMENT NO. 1 TO COUNTY LEASE NO. 76054
1055 WILSHIRE BOULEVARD, LOS ANGELES**

This Amendment No. 1 to Lease No. 76054 ("Amendment No. 1") is made and entered into this _____ day of _____, 2012 by and between JAMISON 1055 WILSHIRE, LLC ("Landlord") and the COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

WHEREAS, Landlord and Tenant entered into that certain County Lease No. 76054 dated March 6, 2007 ("Lease") whereby Landlord leased to Tenant approximately 7,873 rentable square feet of office space referred to as Suite 800 in the building located at 1055 Wilshire Boulevard, Los Angeles, California ("Premises"), for a term of five (5) years from July 1, 2007 to June 30, 2012; and

WHEREAS, The Initial Term for the Premises expires on June 30, 2012; and

WHEREAS, Landlord and Tenant desire to amend the Lease for the purpose of extending the term of the Lease, adjusting the rent, adjusting the annual rent adjustment formula, and increasing the number of parking spaces; and

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby covenant and agree to amend the Lease as follows:

1. Section 1 (E). TERM, is hereby amended as follows:

The term of this Lease shall be extended for a period of five (5) years (the "Extended Term"), commencing July 1, 2012 upon execution of this Amendment No. 1 by the Tenant ("Commencement Date") and terminating five years thereafter, June 30, 2017 ("Termination Date").

2. Section 1(J). EARLY TERMINATION NOTICE DATE is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

Early Termination Notice Date: Any time after the 36th month of the Extended Term by giving Landlord not less than 120 days prior written notice executed by the Chief Executive Officer of Tenant.

3. Section 1(I). BASE RENT, is hereby amended as follows:

Every reference to "\$14,801.24 and \$1.88" that appears in Paragraph 1(i) of the Lease shall be deleted and replaced with the following numbers inserted in substitution thereof: \$18,580.28 and \$2.36, respectively.

4. Section 1(n) PARKING SPACES, is hereby deleted in its entirety and replaced with the following:

Up to 26 unreserved parking spaces, which may be valet-assisted only in the event it is absolutely necessary.

5. Section 5(b). RENT ADJUSTMENT is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

Rent Adjustment. At the beginning of the 13th month of the Extension Term (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below. The term "Basic Index" shall mean the Index published for the month the Extension Term commences.

CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Basic Index. If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{[\text{Base Index}]} \times \$18,580.28 \text{ (Base Rent)} = \text{New Monthly Base Rent}$$

Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an annual increase more than four percent (4%) per year of the Base Rent of \$18,580.28 (i.e. not more than \$743.21 per month, per annual adjustment). In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year.

6. All undefined terms when used herein shall have the same respective meanings as are given under the Lease, unless expressly provided otherwise in this Amendment No. 1.

7. Each of the signatories for Landlord and Tenant each personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Amendment No. 1 upon the terms and conditions stated herein, and each agrees to indemnify and hold harmless the other party from all damages, costs, and expenses, which result from a breach of this representation.

8. In the event of a conflict between the terms and conditions of this Amendment No. 1 and the terms and conditions of Lease No. 76054 and/or any prior amendment thereto, the terms and conditions of this Amendment No. 1 shall prevail. All other terms and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the Landlord has executed this Amendment No. 1 or caused it to be duly executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Amendment No. 1 to be executed on its behalf on the day, month, and year first above written.

LANDLORD:

JAMISON 1055 WILSHIRE, LLC

By: _____

Name: PAUL T. KIM

Its: PRESIDENT

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

By: _____

Zev Yaroslavsky
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
Acting County Counsel

By: _____
Deputy: Byron Shibata